

United States Senate

WASHINGTON, DC 20510-5003

February 7, 2006

The Honorable Samuel W. Bodman
Secretary of Energy
U.S. Department of Energy
1000 Independence Ave., SW
Washington, DC 20585

Dear Mr. Secretary

I am writing to urge you to identify funding in fiscal year 2007 to implement the Western Integrated Coal Gasification Demonstration Project authorized in section 413 of the Energy Policy Act of 2005. It was disappointing to learn that funding for the project was not included in the President's Budget, yet I remain committed to securing funding and ask for your support.

I was very encouraged to hear the President in the State of the Union Address emphasize the urgency of working to diversify energy sources through accelerated research in clean coal technologies. Clean coal will be the foundation for Wyoming coal to continue to be a main source for electricity generation for power hungry markets. However, current commercial offerings for integrated gasification combined cycle technology (IGCC) are not entirely suited for the West. Realizing the full potential for Powder River Basin and other western coals requires adapting current commercial IGCC technology to maximize its performance on lower rank coals. That is why I authored and was successful in including the Western IGCC Demonstration Project in the energy bill.

The economics and performance of IGCC (and other coal combustion technologies) are directly influenced by the characteristics of the coal and the site conditions where the project is located. Western coals have a high moisture content and low heating value; high altitudes also affect project economics and performance. The resulting cost and efficiency penalties must be mitigated through technology enhancements that can be validated and integrated into IGCC plant designs specifically optimized for Western sub-bituminous coals and high-altitude sites.

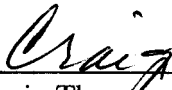
Through the Western IGCC Demonstration Project, the Department of Energy can serve as the catalyst for the development of an IGCC solution for Western coals. Needs for commercial scale-up of mitigation technologies to address coal characteristics and altitude should be addressed. Another important element should be the initial engineering studies/design for the first-of-a-kind plant capable of operating on Powder

River Basin and other low rank coals. As advanced clean coal experience grows, this up-front development engineering will be captured to provide a standard engineering design, as is currently done with conventional coal plants.

This program will bring together government and the private sector in a cost-shared partnership that will support the objectives of the President's Advanced Energy Initiative. A demonstration program that is located in the West, that proves the ability of the technology to operate on a variety of Western coals, and that also features carbon capture capability, will go a long way in giving industry the confidence to commit to commercial scale IGCC facilities fueled by Western coal. The result will be an environmentally acceptable means of utilizing the region's coal resources to meet the region's growing demand for electricity.

I look forward to working with you to assure that resources are found to move this important project forward in the coming fiscal year.

Sincerely,

A handwritten signature in cursive script, appearing to read "Craig Thomas", is positioned above a horizontal line.

Craig Thomas
United States Senator